

# **Sustainable Performance: Understanding the Concept of Consumer Trust to E-Commerce**

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## **Abstract**

Studies related to consumer behavior in online shopping continue to increase, especially during the Covid-19 pandemic. Online shopping is related to e-commerce, and it takes trust from consumers to provide a stimulus to consumer buying behavior. Examining the phenomenon of the problem, this study focuses on examining the support of consumer trust in e-commerce to increase consumer buying interest. The research was conducted by surveying consumers who have experience with e-commerce. There were 200 consumers whose data were taken through quantitative questionnaires, and the research results were processed to determine the correlation between variables. At the beginning, the validity and reliability of the research instruments were tested, followed by the research hypothesis testing, and ended with research analysis. The research findings are conveyed that consumer trust in e-commerce platforms is very important because it can increase consumer buying interest in products or services. There are several measurements that are considered in assessing consumer trust in e-commerce including overall trust, competence, integrity, and benevolence. There are recommendations for further research to examine other factors that can explain changes in consumer behavior in online shopping. Especially recommendations for companies that have e-commerce are advised to evaluate consumer trust, so that they know consumer buying behavior

## **Keywords**

Consumer Trust, E-Commerce, Online Shopping.

## **1. Introduction**

Consumer trust in online transactions is an important concern of companies and marketers (Alamsyah & Febriani, 2020), especially in the citation of the Covid-19 Pandemic where changes to e-commerce continue to increase. The limited meeting between consumers and marketers is the main reason for the increase in transactions via e-commerce (Y. Chen & Chang, 2012). One of the impacts of online transactions is on online transaction service providers and e-commerce services that are in line with the expectations of consumers (Alamsyah et al., 2020; Alamsyah & Hariyanto, 2017; Zheng et al., 2012). Currently, the company focuses on e-commerce with the aim of sustainable corporate performance amid the Covid-19 Pandemic (Alamsyah et al., 2021). Examining the phenomenon of online transaction issues and corporate sustainable performance, it is important to study consumer behavior through consumer trust in e-commerce.

Consumer trust can be defined as the reliability and dependability of consumers on products or services (Knight et al., 2007). This trust will be destroyed when consumers get losses when online transactions are made on e-commerce for

privacy and security (Gobena & Van Dijke, 2016). Based on this study, the value of online transactions continues to be evaluated and developed to increase consumer trust. The first thing that becomes a concern in online transactions is the internet (Lee & Shin, 2018), Second, an evaluation and at the same time a critical concern is security (Tsao, 2013). Because security in transactions will significantly change consumer trust when dealing with e-commerce (Mittal, 2013). Currently in Indonesia, access to e-commerce continues to increase by consumers, and marketers continue to evaluate and improve services (Pamungkas et al., 2017). One of the goals of improving e-commerce services is to maintain consumer trust (Mittal, 2013). Previous research studies have explained the importance of achieving consumer trust, this is related to one of the marketing performances to get intangible benefits from consumers (Fang et al., 2011). Facing industry 4.0, the development of e-commerce continues to increase, and the needs of consumers continue to vary, of course, consumer trust in e-commerce is one of the main components that continues to be built (Jamal et al., 2021). Consumer trust is formed by many factors and processes within the consumer and is difficult for ordinary advertising to control. Because consumer trust often occurs when consumers face e-commerce directly and feel comfort, including security (Rathore, 2016). In the end, it is realized by marketers that consumer trust has a significant impact on consumer interest in choosing products or services through e-commerce (Fan et al., 2016). Based on an analysis of the problem phenomenon of e-commerce, this study aims to examine the determinants of consumer trust in online transactions through e-commerce, to support marketing performance and sustainable performance of the company.

## **2. Literature Review**

### **2.1 Consumer Trust on E-Commerce**

Consumer trust comes from the word 'trust', where the word is widely interpreted and used in multiple disciplines (Schniter et al., 2013). In general, trust is said to be a person's assessment of the goodwill and reliability of others (Gobena & Van Dijke, 2016). This means that trust is an assessment that is considered by someone on another person or object. Trust is also considered a behavioral intention that is conveyed personally to others (Ko et al., 2013). On the one hand, it is also stated in management science that trust is a person's belief and expectation of others according to their expectations (Y. Chen & Chang, 2012). When it is related to consumer trust, it can be said that trust is the belief of consumers that a product or company can meet their needs according to their expectations.

Consumer trust is a value that is considered by consumers, in this case it can appear after consumers know the products or services offered by the company (Lin et al., 2015). Where the expectations of consumers on e-commerce are of course not as fulfillment of needs but conformity of services to their needs (Mittal, 2013; Noor, 2012). Regarding consumer trust in e-commerce, in fact, it has a theoretical development. Where consumer trust is not only with products but with e-commerce services (Fang et al., 2011). In this case, it is said that the trust contains under conditions where the risks that occur when carrying out online transactions through e-commerce can be handled properly (Y. S. Chen & Chang, 2012). Consumers assume that the vulnerability and uncertainty in e-commerce is very high (Salameh et al., 2020), so they need additional services in the form of security guarantees for carrying out transactions online (Khan & Lacity, 2014). Several advanced studies related to consumer behavior and trust were delivered by experts, where it was said that consumer trust was related to reliability, integrity, honesty, and predictability (Value, 2008). There are many dimensions that can measure consumer trust. However, there are three concepts from the consumer trust dimension that are often studied in empirical research in the field of management science, namely competence, benevolence, and integrity. In recent research related to e-commerce, a dimension known as overall trust appears (Bargeron et al., 2015; Fang et al., 2011; Painter, 2010), namely trust not only in the product but also in the services delivered.

### **2.2 Purchase Intention on E-Commerce**

Consumer buying interest is something that is always expected to appear by the company, in relation to the selection of products or services offered by the company (Tih et al., 2016). There are several factors that can influence, including consumer confidence in products and companies (Chinomona & Sandada, 2013). Previous studies have shown that online transactions through e-commerce platforms require support from consumer behavior known as consumer trust (Lin et al., 2015). Because it takes support from consumers both experience and the ability of consumers to interact shopping through an online platform. In theory, buying interest is conveyed as behavior that exists in consumers as a response submitted by consumers to products or services which show an interest in making purchases (Y. S. Chen & Chang, 2012; Kim & Chung, 2011; Yoon, 2002). In general, buying interest can be assessed from several measurements such as consider buying, priority to buy, feel to buy and recommendation to buy (Wang & Chen, 2009; Yoon, 2002).

Studies of consumer trust are always associated with consumer behavior and buying behavior (Swan et al., 1988), from several previous studies it was found that consumer trust has an impact on consumer interest (Comegys et al., 2009; Mulyono et al., 2018; Mustak et al., 2013). Especially in e-commerce research, it is said that the experience of consumers that has an impact on trust in carrying out online transactions can change consumer interest (Comegys et al., 2009). Of course, this opinion is considered good by marketers, because the purpose of marketers by conducting online transaction models is to increase consumer transaction choices and increase consumer buying interest in products or services. The results of the preliminary study are summarized in a recommendation model, these findings are used as a model to measure the trust shown in Figure 1.

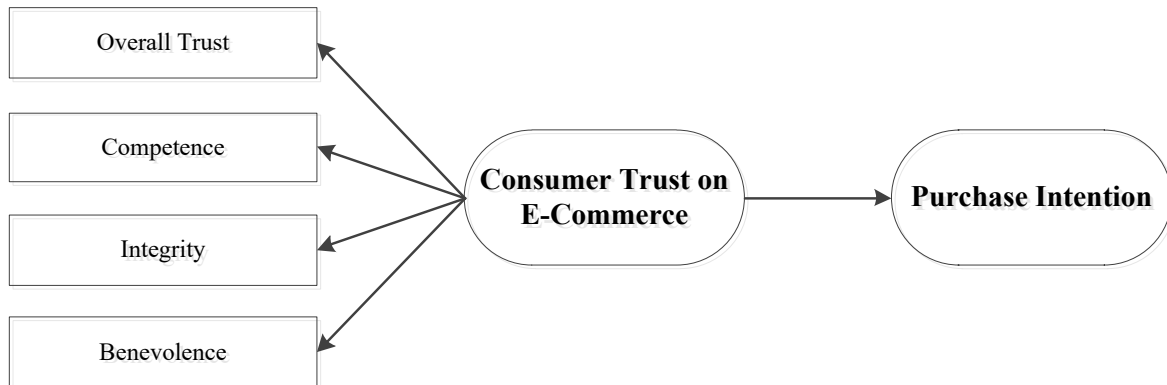


Figure 1. Research Model of Consumer Trust

### 3. Methods

The research method used is a quantitative survey, where a questionnaire is used to collect data from respondents online. The focus of the study is only on two variables, namely consumer trust and purchase decisions from consumers in e-commerce. Respondents from the study are consumers who have experience interacting with e-commerce. Determined the number of respondents at 200 people for a case study to find out consumer behavior in e-commerce. Respondents' data was taken online, especially in the Bandung City area, Indonesia.

Data from respondents was then processed through simple regression analysis with SPSS analysis tools, also the validity and reliability of previous research instruments were tested. Finally, it was stated that there was one research hypothesis test, based on the assumptions in Figure 1, the research hypothesis design was presented as follows.

- Hypothesis 1a        There have a relationship between consumer trust with purchase intention on e-commerce  
Hypothesis 1b        There have no relationship between consumer trust with purchase intention on e-commerce

### 4. Results and Discussions

#### 4.1 Respondent Profiles and Statistic Results

Consumer trust is a concept related to consumer behavior, where there is an acknowledgment from consumers for the products or services received. Regarding e-commerce, consumer trust has different views. This view is no longer the product that is valued by consumers but is related to the e-commerce platform as a medium for online transactions. From the results of distributing questionnaires obtained 200 data and processed with the results starting with the respondent's profile and statistical analysis of research results. It is known that based on the results of the questionnaires, most of them are more familiar with the e-commerce platform from Tokopedia (43%) and Shopee (41%). Furthermore, for products that consumers are interested in from e-commerce, it is said that electronics (22%) are greater, followed by products from Food (21%) and fashion (19%). Most of the consumers who fill out the questionnaire have a residence in the city, so it can be concluded that they are familiar with using e-commerce.

The results of the next study are statistical analysis of research results starting with testing research instruments through validity and reliability tests with the results shown in Table 1. Based on the test results it is known that research instruments from consumer trust and buying interest in e-commerce are acceptable and the analysis can be continued. The result of the next test is a linear regression analysis that appears in Table 2, where when examined from the results

of the study it is known that there is a good relationship of consumer trust on consumer buying interest through e-commerce with a correlation value of 0.542. The results of the regression test were followed by confirmation of the results through the research hypothesis test. Hypothesis testing has been summarized in Table 3 with a t-statistic value of 4.872 or the research hypothesis is accepted, namely that there is a good relationship between consumer trust and consumer buying interest on e-commerce platforms.

Table 1. Validity and Reliability Test

Instruments	Cronbach's Alpha	Pearson Correlation
<b>Consumer Trust</b>		
X1	0,846	0,691
X2		0,793
X3		0,833
X4		0,829
X5		0,808
<b>Purchase Intention</b>		
Y1	0,826	0,746
Y2		0,794
Y3		0,825
Y4		0,763

Table 2. Coefficient Values

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,542 <sup>a</sup>	,294	,282	1,91120

a. Predictors: (Constant), Consumer Trust

Table 3. Hypothesis Test

Coefficients <sup>a</sup>						
Model		Unstandard. Coef.		Standard. Coef.	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,959	1,900		3,663	,001
	Consumer Trust	,442	,091	,542	4,872	,000

a. Dependent Variable: Purchase Intention

#### 4.2 The Impact of Consumer Trust to Online Purchase Intention

Companies are constantly looking for ways to know consumer behavior to support the consumer purchasing decision process. Consumer trust is a behavior that is often studied in relation to consumer buying behavior. This is in line with the findings in this study which became a case study on consumers who use e-commerce. Where it is known that consumer confidence in e-commerce supports an increase in consumer buying interest. These results are based on the data in Table 3 for the correlation value in Beta of 0.542 which explains the positive relationship of consumer confidence on consumer buying interest. This finding is in line with previous research studies which explain that the higher consumer trust in e-commerce, the better in supporting consumer buying interest in online products. This means that the findings in this study complement the previous research that was studied in the fashion industry and studied from the online advertising side (Y. Chen & Chang, 2012). While the current research focuses on consumer perceptions of e-commerce in general and consumers are randomly selected only in Bandung City – Indonesia.

The findings of the study explain the importance of consumer trust in e-commerce as the basis of consumer behavior in determining online shopping. There are several characteristics that need to be known from consumer trust, in this study measuring consumer trust is in principle the same as measuring and evaluating online platforms. Where some of the measures used are overall trust, competence, integrity, and benevolence. The first is overall trust which explains the overall trust from consumers in the e-commerce they use for online shopping. Consumers believe seen from many

factors including convenience and comfort. The second measurement is competence, namely the ability of e-commerce to provide a quality platform and have interesting content. Because e-commerce is not formed based on one consumer group, but for consumer variants so that it has a broad market share. There is some content that is considered interesting and products that are considered quality and easy to find products or services that consumers want. In the end, consumers consider e-commerce in line with their competence if they are able to meet consumer needs. The next measure that needs to be considered in assessing consumer trust in e-commerce is integrity which explains the security of the platform. The security of data and transactions that occur during transactions is very much needed by consumers and this is a concern for all e-commerce platforms. Because it can threaten the sustainability of e-commerce and consumer confidence. Experts are needed to maintain e-commerce from the company, so that all transactions can be kept confidential. The last thing to pay attention to is benevolence which means ease of interaction and ease of interaction online can be needed. Consumers always consider the ease of service to be a benchmark in the ease of transactions, so that online services still need to be considered by companies.

Consumer buying behavior is ultimately able to be supported by consumer trust, so suggestions for companies that focus on e-commerce are to participate in maintaining the quality of e-commerce so that consumer confidence is maintained. There are many advantages of e-commerce for companies and consumers, one of which is efficiency and effectiveness in online transactions and the convenience that can be done anywhere

## 5. Conclusion

The study of consumer trust is interesting to note in the field of management science, because consumer trust contributes greatly to consumer decisions. There are many theories that explain the concept and measurement of consumer trust, but it is found specifically studying e-commerce that there are four things that can form consumer trust. The dimensions formed for consumer trust are overall trust, competence, integrity and benevolence. On the other hand, consumer trusts are recognized as having an impact on consumer behavior, namely purchase intention. Through this research, it is hoped that the company will be able to measure consumer trust with the aim of increasing consumer buying interest. Companies certainly have a big share in solving consumer trust, because this study indirectly gives hope to companies towards sustainable performance. This research was studied in theory and found several assumptions with the model related to consumer trust, but it was not studied empirically to prove it to consumers. Based on these limitations, it is recommended that further research be carried out to confirm and refine current research that focuses on empirically examining the dimensions of consumer trust in relation to increased consumer buying interest in e-commerce

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